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Michael Bryant (centre), Ontario's Economic Development Minister, moderates a discussion with Richard Florida and Roger Martin at the official release of their groundbreaking report 'Ontario in the Creative Age,' in Toronto on Thursday, Feb. 5, 2009. (Ministry of Economic Development and Trade)

Report urges a more creative economy in Ontario

Bill Daskoch, ctvtoronto.ca

As Ontario Premier Dalton McGuinty talks about a low-carbon economy as a competitive advantage and jobs disappear by the tens of thousands, a major report called on the province to unleash its creativity to grow the economy.

The report, by Richard Florida and Roger Martin of the Martin Prosperity Institute of the Rotman School of Management at the University of Toronto, argues that the economy is shifting away from routine-oriented jobs to creativity-based occupations.

A creative job? Architect, interactive games developer, health researcher. A routine job? Auto assembly worker.

McGuinty commissioned the report in March 2008, when the economy was relatively healthy. The authors released it on Thursday as job losses pile up amidst a global recession.

"It's fair to say that none of us saw the current economic upheaval coming and that we are releasing our report today in a much different environment than when we started," Martin said in a news release on Feb. 5. "But the current upheaval only accentuates longer-term trends being faced by Ontario and all advanced economies."

Richard Florida, author of the book *The Rise of the Creative Class*, added the following: "Routine-oriented occupations that draw primarily on physical skills or abilities to follow a set formula can be done more cheaply in emerging economies and will have trouble surviving in advanced economies."

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Ontario has lost more than 200,000 manufacturing jobs between 2002 and 2008, as the competitive advantages of cheap energy and a cheap dollar eroded. The rise in oil's price and commodities in general drove up the dollar over that period.

McGuinty told members of his provincial Liberal party in Niagara Falls on Feb. 7 that many Ontario businesses still rely on a cheap dollar and energy for profitability -- something that isn't sustainable. "Our world is changing," he said. "And our businesses are going to have to be at their very best if they want to compete and win."

Right now, many businesses aren't winning.

In Statistics Canada unemployment numbers released Feb. 6, Ontario shed another 36,000 manufacturing jobs in January alone -- with automotive jobs taking the worst hit -- as part of a total loss of 71,000 jobs. The province's unemployment rate now sits at eight per cent.

With the crisis facing the Big Three automakers, McGuinty has warned that many of those auto and related manufacturing jobs aren't coming back.

However, the unemployment rate in the so-called creative class of jobs is four per cent and remains much lower than those for "routine-oriented" ones, the report's authors note.

Wages are also higher for creative-class jobs, they said.

The plan

The duo offered four main points:

- Harness the creative potential of Ontarians
 - Broaden the province's talent base
 - Establish new social safety nets
- Build a province-wide geographic advantage

Florida and Martin urge the province become the world's first economy to have half its workforce in high-paying creative-economy jobs, and to do this by 2030.

"Service work, which is currently low paid, must be made more productive, more meaningful and better paid. The school janitor of today can be an industrial waste management engineer with international clients - either by staying in school longer before working, upgrading skills on the job or through formal training," they wrote in a commentary published in the Feb. 5 *Toronto Star*.

To broaden the province's talent base, Ontario needs to educate more of its young people. Seventy per cent of new jobs will require post-secondary education, they said.

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Ontario Premier Dalton McGuinty speaks to reports about job losses in Ontario in Niagara Falls on Friday, Feb. 6, 2009.

In updating the social safety net, the province should provide early childhood development for high-risk youngsters, they said. "Such investments in lifelong skills can help ensure that Ontario has broad participation in creating and sharing prosperity."

Ontario already has some mega-regions that provide the pockets of creativity needed to power the new economy:

- the budding technology hub between Waterloo and Cambridge
 - Toronto's financial and cultural industries
- the creativity-focused businesses of Greater Ottawa

To build on it, Ontario must increase the connectivity and boost the "speed and velocity with which we move goods, people and ideas to compete with the world's other leading mega-regions," they said.

There also needs to be better ties between rural area and northern areas and the key mega-regions.

"While a slower pace and non-metropolitan living will appeal to some, it's clear that they do not offer benefits to enough creative workers to sustain these smaller, more distant locations. These disconnected places face a future of decline unless they are better connected to the first Ontario," the report said.

Casualties amidst the inevitable shift

The report doesn't deny there will be casualties.

Workers who have lost their jobs in previous recessions have generally had to accept lower-paying work, a Statistics Canada survey found.

"We need targeted approaches to ease the transition for workers who are forced to move to lower-paying occupations. In addition to formal skills training, we need to help ease the transition to lower paid work and on-the-job training opportunities for some workers," Martin and Florida wrote in their report.

The focus on boosting skills can help with the province's anti-poverty strategy, they said.

"By definition, high school dropouts are lacking in skills. Single parents, especially those lacking in education, are time-challenged to gain skills. Recent immigrants, while highly educated, require some skills investment to pursue their chosen fields. For others, like the disabled and aboriginals, participation in the labour force is the major challenge."

The authors made it clear that the transition to a new economy will happen, and in fact has been happening for decades.

In the past 25 years, creativity-based jobs have increased to 30 per cent of the province's workforce from 26 per cent. Routine-oriented jobs have declined to 70 per cent. And within the routine category, services jobs are on the rise while physical jobs have declined.

Florida and Martin liken the transformation to Ontario's shift from an agrarian to an industrial economy.

"Around 1900, fully 42 percent of Ontario workers were tilling the soil, cutting trees, or hunting and fishing for our food. Because of massive productivity improvements in the agricultural and resource sectors, today we are able to meet the basic consumption demands of Ontarians and untold numbers around the world with only two percent of our work force."

The shift to an ideas and creativity-focused economy from one based on industry and physical work is a similar historic shift, they say.